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Sterling Business Owner Sentenced for Claiming to be Minority, Service-Disabled Veteran Operated Business

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BOSTON – A Sterling, Mass. man was sentenced yesterday in United States District Court in Worcester for conspiring to defraud the Small Business Administration and other government contractors by falsely representing that his business was a minority and service-disabled veteran-owned and operated business.

Tyrone Jones, 48, was sentenced by U.S. District Judge Timothy S. Hillman to one year and one day in prison, to be followed by two years of supervised release. Jones was also ordered to forfeit \$399,000. In August 2012, Jones pleaded guilty to conspiracy to commit wire fraud.

Jones and his co-conspirators submitted false statements to the Small Business Administration and other government agencies, in order to get federal government contract awards that were set aside for or preferentially awarded to disadvantaged minority and service-disabled veteran-owned and operated businesses. The submissions falsely represented that their company was owned and managed by a minority and service-disabled veteran who purportedly managed the daily operations of the business.

“We take very seriously the abuse of a program that is designed to give hope and opportunity to service-disabled veterans by giving them the chance to own and operate their own businesses and to favorably compete for government contracts,” said U.S. Attorney Carmen M. Ortiz. “The fraud here aimed at usurping benefits that are intended to assist service-disabled veterans and to honor their service to our country.”

“Investigating SDVOSB program fraud is one of VA OIG's priorities because this crime deprives eligible disabled veteran-owned small businesses from receiving financial opportunities intended by this set-aside program. The VA OIG, along with our law enforcement partners, will continue this fight against SDVOSB fraud on behalf of our Nation's heroes,” said George Opfer, Inspector General for the Department of Veterans Affairs.

“These kinds of lies cause real harm to Federal programs and procurement,” said U.S. General Services Administration Inspector General Brian D. Miller.

“Federal contracts should never be awarded to persons who commit fraud or claim eligibility for contracts set-aside for our nation's service-disabled veterans,” said Inspector General Peggy E. Gustafson of the Small Business Administration. “I want to thank the U.S. Attorney's Office and our law enforcement partners for their commitment to seek justice on behalf of the American taxpayer.”

U.S. Attorney Ortiz; Jeffrey Hughes, Special Agent in Charge of the U.S. Department of Veterans Affairs, Office of Inspector General, Northeast Field Office; Luis A. Hernandez, Special Agent in Charge of the U.S. General Services Administration, Office of Inspector General, Office of Investigations; Michael D. Conner, Special Agent in Charge of the U.S. Army Criminal Investigation Command, Hartford Fraud Resident Agency; Inspector General Peggy E. Gustafson of the U.S. Small Business Administration, Office of the Inspector General; and Robert L. Panella, Special Agent in Charge of the U.S. Department of Labor, Office of Inspector General, Labor Racketeering and Fraud Investigations, New York Regional Office, made the announcement today. The case was prosecuted by Assistant U.S. Attorney Sara Miron Bloom of Ortiz's office.